

**DEPARTMENT OF ENERGY HEADQUARTERS
PERFORMANCE MANAGEMENT PROGRAM
IMPLEMENTATION PLAN**

1. **OBJECTIVE** Performance management is the systematic process by which DOE Headquarters Departmental Elements (hereinafter referred to as Headquarters Elements) involve their employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of the mission and goals. Performance management integrates the processes used to
 - (a) Communicate and clarify organizational goals to employees;
 - (b) Identify individual and, where applicable, team accountability for accomplishing organizational goals;
 - (c) Identify and address developmental needs for individuals and, where applicable, teams;
 - (d) Assess and improve individual, team, and organizational performance;
 - (e) Use appropriate measures of performance as the basis for recognizing and rewarding accomplishments; and
 - (f) Use the results of performance appraisals as a basis for appropriate personnel actions.

The objective of this directive is to establish requirements and responsibilities for the management of employee performance, including appraisal, recognition and reward for employees in Headquarters, and to measure employee levels of achievement against mutually agreed-to performance objectives and criteria. To support the Department's strategic plan, mission goals and planning objectives, and quality management objectives through the process of performance management.

2. **CANCELLATIONS** The following directives, superceded earlier as DOE-wide Orders, but continued to be used as the DOE HQ directives, will not longer apply and are hereby superseded for HQ purposes:
 - (a) DOE 3430.3A, DEPARTMENTAL EMPLOYEE APPRAISAL SYSTEM, dated August 14, 1986.
 - (b) DOE 3450.1B, INCENTIVE AWARDS, dated June 23, 1992, as it applies to employees who are not members of the Senior Executive Service.

- (c) DOE 3550.1A, PAY ADMINISTRATION AND HOURS OF DUTY, dated December 22, 1987, as it relates to Within-Grade Increases and Quality Step Increases.

3. APPLICABILITY

- (a) The Headquarters Employee Performance Management Program Implementation and Evaluation Plan (hereinafter referred to as the Performance Management Plan), applies to all General Schedule (GS/GM) employees, prevailing rate employees, excepted service employees for which employment is reasonably expected to continue over one year, and senior-level and scientific and professional employees.
- (b) Excluded are members of the Senior Executive Service, members of the Board of Contract Appeals, employees in the excepted service positions for which employment is not reasonably expected to continue over one year, and experts and consultants.

4. REQUIREMENTS In fulfillment of the requirements of DOE 331.1A, DEPARTMENTAL EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM, the following Performance Management Plan requirements will apply. Note that: (1) "levels of accomplishment" and individual element rating levels, as well as (2) summary ratings (as that term is used by the Office of Personnel Regulations in its regulations) and (3) patterns for deriving ratings of record, are equivalent to the definitions of rating levels found in Title 5, Code of Federal Regulations (CFR), section 430.208 as follows:

Summary Rating Levels:

Ratings of 3.5 - 4.0 are equivalent to 5 CFR 430.208(d), Level 5, "Outstanding."

Ratings of 2.8 - 3.4 are equivalent to 5 CFR 430.208(d), Level 4.

Ratings of 2.0 - 2.7 are equivalent to 5 CFR 430.208(d), Level 3, "Fully Successful."

A rating below 2.0 on a Critical Element is equivalent to 5 CFR 430.208(d), Level 1, "Unacceptable."

Levels of Accomplishment:

Level 2 is equivalent to "Fully Successful" in 5 CFR 430.206(b)(8).

Level 1 is equivalent to "Unacceptable" in 5 CFR 430.206(b)(8).

- (a) Individual employee performance, as measured by individual performance plans, will align individual performance expectations to organizational performance goals and objectives. Supervisors' plans will be closely aligned with the performance plans of

the member of the Senior Executive Service to whom they report.

- (b) All employees' performance will be measured using individual performance plans (elements and standards) that will be communicated to them, monitored and rated in a timely, fair and accurate manner. Rating and reviewing officials are personally responsible for fulfilling this requirement. Supervisory responsibility in performance management will be measured using supervisory elements and standards.
- (c) All employees will be placed on performance plans (standards and elements) within the first 30 days of the performance period.
- (d) Performance plans will contain several elements, including at least one non-critical element. "Additional" elements may be used for employee development and/or special assignments not related to the employee's regularly assigned work. Performance in "additional" elements may be used to support on-the-spot awards or special act awards but may not be used to support performance-based cash awards.
- (e) Employees whose positions include responsibilities for performance management will have critical elements in their performance plan that address the fulfillment of these responsibilities.
- (f) All employees will be given performance ratings within 45 days after the end of the performance period except for the transmittal of required performance ratings as follows:
 - (i) Employees who leave, either through retirement, reassignment, or transfer within 90 days before the end of the performance period will receive a performance rating immediately prior to their departure.
 - (ii) Employees of rating officials who leave, either through retirement, reassignment, or transfer within 90 days before the end of the performance period will receive a performance rating immediately prior to the rating official's departure.
 - (iii) Employees who have established a pattern of performance that fails to meet the performance expectation described at Level 2, who have been on performance plans for a minimum of 90 days, whose waiting period for a within-grade increase is completed, and who have been given an opportunity to improve performance, but have not been successful will be given a rating of "Level 1" (as outlined in Chapter IV).
- (g) Employees who have not been on performance plans for at least 90 days at the end of the performance period will have their performance period (e.g., for new hires, promotions, reassignments, etc.) extended in order to complete the 90-day minimum

requirement.

- (h) Employees who cannot be placed on a performance plan because of compensable injury, extended leave or another reason that renders appraisal under a performance plan impossible will not be given a rating of record for the performance period. The summary rating from a prior performance period will not be carried forward and used as a rating of record for any subsequent performance periods.
- (i) Employees whose performance is below "Level 2" at any time after a minimum of 90 days on a performance plan and who have failed to improve after counseling and written guidance from their rating official will be placed on a Performance Improvement Plan (PIP) and given the opportunity to improve their performance (see Chapter IV for more detail) prior to any performance-based action.

5. RESPONSIBILITIES

- (a) The Head of each Headquarters Element (Assistant Secretary or equivalent) is responsible for the fulfillment of the organization's mission and strategic plan, for identifying and pursuing organizational goals that effectuate that plan, and for ensuring that the organization provides an environment that encourages employees and their supervisors to assist the organization and themselves in further accomplishing the work of that organization. The Head of the Headquarters Element will also:
 - (i) Continue to develop and improve this performance management plan.
 - (ii) Approve monetary awards between \$5,000 and up to \$7,500 for individual Special Act awards.
 - (iii) Delegate authority to approve monetary awards of up to \$5,000 for individual Special Act awards and up to \$300 for on-the-spot awards to Deputy Assistant Secretaries or their equivalents in their organizations. Note that the authority to approve monetary awards of up to \$5000 for individual Special Act awards and up to \$300 for on-the-spot awards for those employees under the direct supervision of the Heads of Headquarters Elements may only be delegated to a principal deputy, if any.
- (b) Deputy Assistant Secretaries or their equivalents will:
 - (i) Approve monetary award of up to \$5000 for individual Special Act Awards.
 - (ii) Approve on-the-spot awards for employees under their supervision for up to \$300.

- (iii) Approve Performance-Based Cash Awards for employees under their supervision.
 - (iv) Hold all employees with performance management responsibilities under their supervision accountable to the standards of performance in leadership and other supervisory functions to which they have been assigned.
 - (v) Lead by personal example.
- (c) The resource managers/administrative officers will ensure that:
 - (i) Adequate funds are reserved for payment of monetary awards.
 - (ii) There are sufficient support services to ensure prompt action on awards recommendations and suggestions.
 - (iii) Departmental reporting requirements are fulfilled relative to the organization's performance management program.
- (d) Reviewing Officials will approve performance plans prior to their transmittal to employees, review performance monitoring performed by the rating official, approve performance ratings of record prior to their transmittal to employees, approve award nominations for appropriate employees, evaluate rating officials on their responsibilities for adhering to law, regulation, provisions of the collective bargaining agreement and on their performance requirements.
- (e) Rating Officials will request employee participation in the development of performance plans (elements and standards); communicate the organization's goals and objectives; transmit finalized performance plans to their employees within 30 days of the beginning of the performance period; document their failure, if any, to meet performance management deadlines; monitor performance throughout the performance period; conduct two progress review sessions during the performance period (see Chapter I); issue finalized ratings of record (after approval/signature by the reviewing official) to employees within 45 days after the end of the performance period or earlier if required (see Chapter I), and ensure that all employees assigned to their supervision during the performance period receive advisory performance ratings within one month of the end of temporary assignments.
- (f) Employees will contribute as appropriate to the development of their performance plans (elements and standards), and keep their rating official aware of issues that affect the performance of their assignments and responsibilities.

6. REFERENCES

- (a) Title 5, United States Code, Chapter 43 (Performance Appraisal) and Title 45 (Incentive Awards); Chapter 53 (Pay)
- (b) Title 5, Code of Federal Regulations: Part 430 (Performance Management); Part 432 (Performance Based Reduction in Grade and Removal Actions); Part 451 (Awards); Part 351 (Reduction in Force); Part 531 (Pay Under the General Schedule).
- (c) DOE O 331.1A, DEPARTMENTAL EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM, of June 15, 1999. DOE 3750.1, WORK FORCE DISCIPLINE of March 23, 1983. DOE O 360.1, TRAINING, of March 31, 1995.
- (d) Collective Bargaining Agreement, effective August, 1996, between Department of Energy Headquarters and the National Treasury Employees Union (NTEU) as modified by the Memorandum of Understanding on the Headquarters Performance Management System of April 15, 1999.

7. DEFINITIONS

- (a) Advisory Performance Rating is the performance rating given by management officials with authority to assign work to employees who have been on a detail or other temporary assignment. The written rating, which may be in narrative form or linked to the elements on the employee's performance plan, as appropriate to the detail, will be prepared and directed to the employee's rating official at the end of the temporary assignment period. The advisory performance rating will be considered by the rating official when the rating official determines the employee's rating of record at the end of the performance period.
- (b) Awards Approving Official is the official with delegated authority to approve the expenditure of funds for awards.
- (c) Element is a general description of an employee's overall responsibility in a particular area of work.
 - (i) Critical Element is the work assignment or responsibility of such importance that unacceptable performance on the element would result in a determination that an employee's overall performance is unacceptable. Such elements shall be used to measure performance only at the individual level -- this is the definition from current Federal regulation.
 - (ii) Non-critical element is a dimension or aspect of individual, team, or organizational performance, exclusive of a critical element, that is used in assigning a summary level. Such elements may include, but are not limited to, objectives, goals, program plans, work plans, and other means of expressing expected performance.

- (iii) Additional performance element means a dimension or aspect of individual, team, or organizational performance that is not a critical or non-critical element. Such elements are not used in assigning a summary level but, like critical and non-critical elements, are useful for purposes such as communicating performance expectations and serving as the basis for granting awards. Such elements may include, but are not limited to, objectives, goals, program plans, work plans, and other means of expressing expected performance.
- (d) Levels of Accomplishment: The level of performance assigned to each critical and non-critical element in employees' performance plans. Those levels, with their generic definitions, are as follows:

Level 4

Demonstrates initiative by taking responsibility for planning work and handling unexpected problems; demonstrates innovative thinking, innovative use of available resources, and develops creative solutions; meets or exceeds deadlines; demonstrates high quality work that is technically sound, accurate, and thorough; and initiates collaborative efforts where beneficial to task accomplishment, and works cooperatively with others. The supervisor is rarely involved in overcoming barriers to performance and this performance is sustained throughout the rating period.

Level 3

Demonstrates initiative by taking responsibility for planning work and handling unexpected problems; demonstrates innovative thinking, innovative use of available resources, and develops creative solutions; meets or exceeds deadlines; demonstrates high quality work that is technically sound, accurate, and thorough; and initiates collaborative efforts where beneficial to task accomplishment, and works cooperatively with others. Supervisory intervention is periodically required to overcome significant barriers to performance.

Level 2

Adequately plans work and handles problems; usually demonstrates economic use of available resources; develops solutions; meets deadlines; demonstrates work that usually is technically sound, accurate, and thorough; and works cooperatively and collaboratively with others. The supervisor is required to overcome significant barriers to performance.

Level 1

Level 1 is unsatisfactory performance.

- (e) Management official is an individual in a position the duties and responsibilities of which require or authorize the individual to formulate, determine, or influence the policies of the agency.
- (f) Performance Period is synonymous with "appraisal period." It means the established period of time for which performance will be reviewed and a rating of record will be prepared. The performance period will be 12 months, beginning on October 1 and ending on September 30. There may be circumstances in which it is not possible for the employee's performance to be reviewed for the entire 12 months. In any event, no performance may be rated if the performance period is less than 90 days (see 5 CFR Part 430 and DOE 331.1A).
- (g) Performance Plan is all the written, or otherwise recorded, performance elements that set forth expected performance. A plan includes all critical and non-critical elements and the elements' performance standards, which are categories of tasks associated with those elements and levels of accomplishment for each element.
- (h) Performance rating is the recorded, numeric appraisal of performance compared to the performance tasks and levels of accomplishment for each element on which there has been an opportunity to perform for the minimum period. Performance ratings can include either advisory ratings or ratings of record.
- (i) Performance Standard is the management-approved expression of the performance threshold(s), requirements(s), or expectations(s) that must be met for the employee to be appraised at a particular level of performance. A performance standard may include, but is not limited to, quality, quantity, timeliness, and manner of performance. Standards in this system consist of two parts, the specific tasks/expectations and the four generic levels of accomplishment that are expected of an employee under each element.
- (j) Quality Step Increase is an increase in an employee's rate of basic pay from one step or rate of the grade of his or her position to the next higher step of that grade. The purpose of the quality step increase is to provide appropriate incentives and recognition for excellence in performance by granting faster than normal step increases.
- (k) Rating of Record is the performance rating prepared at the end of the performance period for performance of duties over the entire period and the assignment of a summary level or in accordance with the provisions of the regulations governing within-in grade increases. See Chapter II.
- (l) Rating Official is the person who, as described by express language in his/her position

description, is responsible for developing performance plans, for monitoring performance, and/or for rating performance of the employees under his/her supervision. The rating official may be classified as an employee with full supervisory authority or limited supervisory authority, as long as the person is clearly designated to rate employee performance.

- (m) Reviewing Official is the person with full supervisory authority who is responsible for approving performance plans and performance ratings of record prior to their transmittal to employees. The reviewing official is normally the rating official's immediate supervisor.
- (n) Within Grade Increase is the periodic increase in an employee's rate of basic pay from one step of the grade of his or her position to the next higher step of that grade. For an employee who is designated as "GM," this means a periodic increase in an employee's rate of basic pay from his or her current rate to the next higher rate within the grade.

CHAPTER I

THE FORMAL APPRAISAL PROCESS

The performance appraisal process in Headquarters will contain the following components: performance planning; performance monitoring; performance appraisal.

1. **PLANNING FOR PERFORMANCE:** All employees shall be provided with performance plans no later than 30 days into the annual performance period. Performance plans will be recorded on the Performance Plan/Performance Appraisal Form. Rating officials will encourage employee participation in establishing individual performance plans.

Guidance: Employee participation in the performance management process is assumed by law; Federal regulation encourages every agency to include employees in the development of performance management systems and in the development of individual plans. Although employee participation in the development of performance plans is voluntary, participation should be encouraged. The rating official can encourage participation by initiating group discussions, asking questions about the employee's perceptions of his/her work, and providing a draft of the performance plan well in advance of the date of issuance. In any event, employees should be familiar with their performance plans prior to the plans' issuance. At a minimum, the planning process should occur within one month of beginning of the performance appraisal period.

Generally, the employee's position description is the document that should be used to determine appropriate critical and non-critical elements. Other documents may be used as well, including budget documents, strategic plans, organizational performance plans, etc. The collective bargaining agreement directs that employees may not be rated on elements that are inconsistent with their assigned duties and responsibilities. Accordingly, if it is determined that an employee's elements must differ substantially from the employee's position description, the employee's position description should be modified to correct the imbalance at the earliest possible date, but should not be later than the next rating period.

A performance plan should include the number of elements required to reflect the full range of an employee's position. It is best for performance plans to have more than two critical elements. Performance plans should be comprised of more than two but fewer than nine total elements. A normal range would be from four to six elements (critical and non-critical) per performance plan. Note that the number of elements will affect the employee's numeric rating (see below). Accordingly, individual Headquarters elements should perform a quality check on elements numbers to ensure that numeric ratings cannot be unduly affected by the number of individual elements.

If very few elements are identified, it is possible that there may be several components in the activities described that may be broken out into other elements. Care should be taken to ensure that each element is discrete and there is no possibility that elements cannot be distinguished from another.

- (a) Critical Elements: Performance plans will be comprised of at least one critical element. Critical elements are defined as a work assignment or responsibility of such importance that unacceptable performance on that element would result in a determination that an employee's overall performance is unacceptable. Critical elements shall be based on the actual duties and responsibilities of each position.

Guidance: Critical elements may be deemed critical either because of the amount of time spent in their performance, the consequence of error, or other factors that affect the achievement of individual or organizational goals. Critical elements frequently are those in which the majority of time is spent, but an elements may also be critical to overall performance, even though relatively little total time is spent on it. This might be the case, for instance, where there are serious adverse organizational consequences if the task is not performed according to management's expectations even though the task is not time consuming or is performed only periodically, such as the preparation of the annual budget or a site project.

It is expected that the critical elements identified for identical-additional positions will be substantially the same. There should be substantial similarities in the identification of critical elements for positions of the same title, grade, and series which require the performance of similar work within. Deviations should be related to identifiable differences in job duties and responsibilities.

- (b) Non-critical elements: Each performance plan shall have at least one non-critical element.

Guidance: Note that non-critical elements cannot raise a summary level of Level 1 to a higher level; neither can a non-critical element rated at Level 1 be used as a basis for a performance-based action. Although there is no limit to the number of non-critical elements in a performance plan, care should be taken to ensure that critical elements comprise the majority of elements. Non-critical elements are the only way that team or group achievements may contribute to the employee's performance rating.

- (c) Elements that are not designated as "critical" or "non critical" will be designated as "additional." "Additional" elements carry no weight in the calculation of the rating of record.

Guidance: "Additional performance elements" may be useful in appraising performance in team activity such as communicating, clarifying, and accomplishing organizational goals; in identifying and addressing developmental needs for the employee; and assessing and improving individual team and organizational performances. Examples of such elements might be: "Develop response to Baldrige Criteria," or "Serve as ancillary EEO counselor."

- (d) Performance Standards: Standards must be based on objective criteria to the greatest extent possible; they must include factors over which the employee has control or substantial influence over the results, as appropriate. They must include expectations of quantity, quality, and timeliness, to the extent feasible, include manner of performance. In the Headquarters performance management system, standards consist of two parts, the specific tasks, thresholds, requirements or expectations under each element; and the four generic levels of accomplishment that are expected of an employee under that element.

Guidance: Performance standards - tasks - defined by management with employee input are the "what;" i.e., the description of the tasks, etc. that are to be performed. The level of accomplishment, the "how" of employee performance, has been standardized throughout Headquarters

The "tasks" part of the performance standard should include: The quantity of work products and/or outputs in the form of a range that represents what the employee at that particular grade in question is paid for and should be capable of producing; the quality of the work product sufficiently described to avoid ambiguity whenever possible; the number of work products that can be produced with little if any unjustified delay; and the manner of performance that includes the maximum use of available resources, demonstrable customer concern, and the appropriate sharing of program/product information with the rating official and others.

Courtesy to the public may be included in the "task" part of the performance standard to the extent that the employee's position requires regular contact with the public.

The term "objective" does not necessarily imply numerical standards or fixed dates which may not be appropriate for many positions. Generally, absolute tasks will not be established. In extremely rare instances, a few positions may require that aspects of the incumbent's performance be measured by absolute tasks or requirements under conditions in which death, injury, breach of security, or great monetary loss could result from a single failure to meet the requirement measuring performance of a critical element. Thus, even one incident of poor performance of an absolute standard would result in a "Level 1" rating. By definition, performance cannot be rated higher than that which

is described in the absolute standard; therefore, when absolute standards are used, they must be identified as such.

- (e) **Communication of Performance Elements and Standards:** Individual performance plans (elements and standards) must be communicated to the employee in writing within 30 days after the beginning of the performance period or within 30 days of an initial assignment. The communication must allow sufficient time for review and discussion. The employee shall be given a reasonable amount of administrative leave (up to two hours) to prepare for this discussion and present written comments concerning the plan to the rating official. The rating official must give consideration and respond to the employee's comments before finalizing the performance elements and standards. Official transmittal of the performance plan occurs when the plan, signed by both the rating and reviewing officials, is issued to the employee. The employee will have an opportunity to attach comments to the final written elements and standards as defined by the rating official.

Guidance: Even though performance plans may remain the same year after year, the requirement that the rating official communicate with the employee regarding the new performance period and the renewed issuance of the employee's performance plan, with new signatures of the rating and reviewing officials, provides the opportunity to both the rating official and employee to discuss the upcoming performance expectations. It is inappropriate for rating officials to assume that no discussion is necessary.

If there is a likelihood of substantial changes in the employee's performance plan for the upcoming performance period, it might be wise for the rating official to discuss the plan with the employee during the last part of the current performance period. This would decrease the amount of time in the new performance period that the employee would be working without elements and standards.

Although each employee will be asked to sign her/her plan, if an employee refuses to sign his/her performance plan, the rating official should initial and date the plan on the employee's signature line indicating that the employee declined to sign.

- (f) **Changes in Performance Elements and Standards:** Performance plans may be changed at any time it is necessary to do so during the period prior to the last 90 days of the appraisal period. Any changes that are made during the appraisal period must be recorded, approved by the reviewing official, and discussed with and communicated to the employee in writing as soon as they occur, so that both the rating official and employee understand what performance is expected in order to meet management's expectations.

Guidance: Changes in duties, organizational priorities, or available resources may dictate changes in performance plans. If performance plans are revised during the performance appraisal period, unless the changes are clarifying, the performance appraisal period begins again for the revisions. See the section below for length of the performance period.

2. **MONITORING PERFORMANCE:** Each employee, at the time of his/her placement on a performance plan at the beginning of the performance period, will be assessed on performance based on elements and standards for that rating period, and not on the basis of performance in a prior performance period. The employee's performance must be monitored throughout the performance period. The following are the minimum requirements for performance monitoring and feedback:

- (a) **Progress Reviews:** Employees must receive at least two progress reviews during the performance appraisal period. Rating officials will provide a specific numeric assessment on each element in the employee's plan. In a twelve month rating cycle, the periodic progress reviews will be done during the 4th and the 8th months. In the event that it is necessary to rate the employee for less than six months, the employee shall receive at least one progress review at the mid-point of the rating period. These assessments are NOT to be averaged at the end of the year to determine the employee's overall summary rating, but are intended to provide clear and specific assessment of the employee's progress during the year. Employees will be requested to sign the Performance Plan/Appraisal Form indicating that each progress review has occurred. The employee shall be provided a copy of any written input or feedback prepared in advance of the progress review. Each progress review will be conducted between the rating official and the employee only, but other parties may attend the progress review if the employee and the rating official have agreed in advance.

Guidance: Progress reviews provide structured, scheduled time for rating official-employee communications at two points of the performance period to: assess progress made toward achieving performance objectives and meeting performance requirements; identify new or previously unnoticed problems affecting the employee's performance and developing ways to resolve them; and make necessary adjustments in the performance elements and standards.

Planning the progress review meeting is essential to its success. In advance of the progress review meeting, the rating official should review the elements and standards and assemble copies of relevant documents to share with the employee.

The progress review meeting should not be used as an occasion for congratulating or blaming the employee, rather, these meetings should explore the reasons behind successes and failures.

- (b) Documenting declining performance: If, at any time, an employee's performance on any critical element is in danger of falling below a Level 2 rating (i.e., falling to Level 1), the procedures outlined in Chapter IV, 1., will be followed.

Guidance: Progress reviews and/or communication regarding deficient performance should not be the only occasion that the rating official and employee discuss the employee's performance. Informal progress reviews can occur more often. The main objective is to set up a communications system between employee and rating official so that information about performance expectations and management response will be frequent and open. If there is little communication between the rating official and employee, notice of deteriorating performance will alarm the employee and create immediate tension. The purpose of the notification of deteriorating performance is to assist the employee to improve. If a notice becomes necessary, communications between rating official and employee should increase rather than decrease. Use of the optional task sheet at the end of this chapter would be a good device to promote performance discussion.

3. RATING PERFORMANCE:

- (a) Length of performance appraisal period: Employees must be on performance plans for a minimum of 90 days in order to be eligible for a rating of record. The performance appraisal period extends from October 1 to September 30. If circumstances warrant, the performance period may be extended in order to have an employee perform on his/her performance plan for the minimum of 90 days if circumstances warrant.
- (b) Schedule for appraising performance: Employees will be appraised within 45 days following the end of the performance appraisal period. If there is a delay in the appraisal process (e.g., if the performance period had been extended, or if the reviewing official is not available to sign the rating), the employee and the head of the program office will be informed in writing.

The appraisal conducted during the first 45 days following the end of the performance appraisal period results in the rating of record for the previous rating year. See Chapter II, Uses of the Performance Appraisal Rating.

Guidance: During the first year of implementation, for purposes of evaluation of the system, each Head of the Headquarters Element will report to the Employee and Labor Relations Division the numbers and reasons in instances where this time frame is not met. This information will be shared in aggregate with NTEU.

- (c) Ratings of record outside the normal schedule: On occasion, a rating of record must be rendered at times other than at the end of the performance period. Those occasions include:

- (i) When the rating official leaves near the end of the performance appraisal period. A vacating rating official must rate subordinates if he/she leaves during the last 90 days of the performance appraisal period, provided such employees' performance elements and standards which have been in place for 90 calendar days. These ratings are used when assigning the official annual rating of record.

Guidance: In this circumstance, it is appropriate for the reviewing official to act as both the rating and reviewing official, especially if a new rating official is unfamiliar with the work evaluated by the rating official who departed.

- (ii) When the employee leaves his/her position near the end of the performance appraisal period: A rating official must rate an employee who leaves the Department, except for cases involving death or retirement, when the employee has been on a performance plan for at least 90 days and leaves within 90 calendar days of the end of the performance appraisal period. This rating will be used when assigning the official annual rating of record at the end of the performance period..
- (iii) If the employee's waiting period for a within-grade increase is over and if employee's most recent rating of record was below "Level 2" (or Marginal or lower under a previous performance management system), and the employee's performance has improved to "Level 2"; or if the employee's current performance, after a 90-day minimum improvement period, is still at "Level 1," the rating official must issue a rating of record. See Chapter IV, Dealing with Poor Performance.

- (d) Advisory ratings: In addition to the scheduled annual rating of record, it will sometimes be necessary for an employee to be rated under special circumstances. Advisory ratings must be considered by the rating and reviewing officials when preparing a rating of record at the end of the performance appraisal period. The circumstances appropriate for advisory ratings are as follows:

- (i) When an employee is detailed or temporarily promoted within his/her Headquarters element, or elsewhere in Headquarters. An advisory rating is required upon conclusion of an employee's detail to another position for 90 calendar days or more, or upon the conclusion of an employee's temporary promotion for 90 calendar days or more. This advisory

rating is made by the rating official to whom the detailed or temporarily promoted employee reports.

Guidance: In some instances, input for a rating of record will be required prior to the conclusion of the detail or temporary promotion; therefore, in order to provide appropriate consideration of all performance during the appraisal period, it may be necessary for the temporary supervisor to issue an advisory rating prior to the conclusion of the temporary assignment if the employee has completed at least 90 calendar days in the assignment.

- (ii) When an employee is on assignment outside Headquarters. When a temporary assignment outside Headquarters is approved for 90 calendar days or more, the program office's administrative office will contact the supervisor for whom the employee will be working and express the need for a job-related, narrative performance appraisal based on performance-related criteria that are communicated in writing to the borrowed employee at the beginning of the temporary assignment.

Guidance: If possible, the program office should obtain a copy of the criteria and the narrative performance rating from the borrowing organization to which the employee is temporarily assigned and provide it to the employee's rating official. Even if the rating does not match the terminology used by the rating official, he/she should also take this under consideration when preparing a rating of record.

- (iii) When the employee transfers to another agency or changes to another position within his/her Headquarters element or the Department of Energy during the performance appraisal period (i.e., the change occurs with more than 90 days left in the performance appraisal period). Rating officials shall prepare an advisory rating when an employee transfers to another agency or changes to another DOE position during the appraisal period, if the employee has met the minimum requirements for a rating in the position that is being vacated.

Guidance: This requirement generally applies to reassignments and promotions, including temporary promotions; however, it does not include details or reassignments which are essentially re-descriptions or realignments of an existing position with no change in supervisors.

- (e) Assigning summary ratings:

- (i) Rating individual elements: There are four rating levels applicable to the elements in the employee's performance plan. Element ratings will be

assigned based on a comparison of the employee's individual performance during the rating period against the tasks/levels of accomplishment established for that element.

- Level 4 (4 points)

Demonstrates initiative by taking responsibility for planning work and handling unexpected problems; demonstrates innovative thinking, innovative use of available resources, and develops creative solutions; meets or exceeds deadlines; demonstrates high quality work that is technically sound, accurate, and thorough; and initiates collaborative efforts where beneficial to task accomplishment, and works cooperatively with others. The supervisor is rarely involved in overcoming barriers to performance and this performance is sustained throughout the rating period.

- Level 3 (3 points)

Demonstrates initiative by taking responsibility for planning work and handling unexpected problems; demonstrates innovative thinking, innovative use of available resources, and develops creative solutions; meets or exceeds deadlines; demonstrates high quality work that is technically sound, accurate, and thorough; and initiates collaborative efforts where beneficial to task accomplishment, and works cooperatively with others. Supervisory intervention is periodically required to overcome significant barriers to performance.

- Level 2 (2 points)

Adequately plans work and handles problems; usually demonstrates economic use of available resources; develops solutions; meets deadlines; demonstrates work that usually is technically sound, accurate, and thorough; and works cooperatively and collaboratively with others. The supervisor is required to overcome significant barriers to performance.

- Level 1 (1 point)

Level 1 is unsatisfactory performance.

- (ii) Calculating the summary performance rating: After assigning a rating on each individual element as provided for on the Performance

Plan/Performance Appraisal Form, a numerical value summary rating can be calculated by doubling the value of the rating on each individual critical element (with non-critical elements' values remaining the same), adding all elements' scores and dividing the total by the total of weighted elements (i.e., critical elements have double weight). All numerical values are rounded to one decimal place.

However, if any critical element is rated at Level 1, the employee's performance must be rated at Level 1, regardless of the ratings on other individual elements.

- (f) Communicating the rating of record:
 - (i) Ratings of record must be completed by the employee's rating official using the Performance Plan/Performance Appraisal Form. The reviewing official must sign the rating of record prior to its communication to the employee.
 - (ii) The rating official will discuss the rating of record personally with the employee, going over each element individually. All documentation used in support of the rating will be furnished to the employee prior to the communication of the formal rating of record.
 - (iii) The employee will be requested to sign the appraisal form. The employee's signature indicates only that he or she has seen the performance rating and was given the opportunity to discuss the element ratings. The date that the rating of record is communicated to the employee is the date of the issuance of the rating.

Guidance: Performance ratings are valid even when the employee refuses to sign the form, or if the employee refuses to meet with the rating official for communication of the rating of record . When applicable, the rating official should indicate in writing that the employee declined to sign the Performance Plan/Appraisal Form. The rating official should ensure that the employee is provided a copy immediately after the communication of the formal rating of record. If there is a delay in transmitting a copy of the rating to the employee, there may be confusion regarding the actual date of issuance of the rating.

- (iv) The employee may comment on the performance rating and written comments will be retained with the Performance Plan/Appraisal Form. Employees may submit comments to be attached to their rating within

five (5) work days of the issuance of the rating of record.

Guidance: Documentation or other written comments by the rating official are not appropriate for inclusion in the performance rating record. The rating official's documentation, written comments and summaries are ~~be~~ part of the communication process necessary when the employee is given his/her rating. If the employee requests that the rating official's written communication(s) be included as part of the employee rating of record, the rating official should agree; the employee should indicate his/her wishes on the document to be inserted.

CRITERIA FOR EVALUATING THE CRITICAL ELEMENTS ASSOCIATED WITH "LEADERSHIP"

Note: the elements below will be evaluated using the same levels of accomplishment applied to all other employees covered by this implementation plan.

Communication/Trust: The manager/supervisor communicates information and builds trust within the organization and with stakeholders and customers.

Quality Advocacy Tasks:. Incorporates quality management principles and programs as tools for improving the organization. Is accountable and holds process owners accountable for systematically and continuously examining and improving processes and programs. Implements appropriate process improvements in a timely manner. Ensures that subordinate staff are trained in quality principles and techniques.

Customer Orientation Tasks:. Establishes methods to identify customers, their needs, and their expectations. Continuously fosters their participation, feedback, and satisfaction. Ensures that work decisions account for and reflect customers' needs. Initiates changes based on customer input/needs.

Communications Tasks:. Is an active listener and fosters open, two-way information exchange. Provides written and oral information in a clear, concise, and timely manner. Promotes communications within the organization and with the organization's customers.

External Relationships/Networking Tasks:. Effectively articulates and promotes the

organization's purposes and programs to outside groups. Meets regularly with clients, institutionalizes relationships with them as needed, and engenders their cooperation and support.

Negotiating/Influencing Tasks: Language and behavior promote "win-win" solutions when differences or opportunities between groups or individuals arise. Makes timely, thoughtful, and practical proposals to resolve impasses or to reach consensus, taking shareholders' interests into account.

Interpersonal Relationship Tasks: Conveys respect for clients and employees. Takes positive steps to build trust, morale, and esprit de corps within the organization. Creates solid working relationships with others.

Human Resources: The manager/supervisor recruits, trains, develops, and motivates employees, rewards performance, and promotes diversity within his/her organization.

Human Resource Management Tasks: Takes timely action to acquire, right size, restructure, and reallocate staff as priorities shift. Promotes human resources programs that enhance organizational and employee well-being.

Managing Diversity Tasks: Creates a work environment of inclusion, fairness, and equity. Proposes actions to, and works toward, achieving workforce diversity (e.g., minorities, women, small businesses, and colleges are used for contracting/recruiting purposes).

Team Building/Teamwork Tasks: Values and fosters teamwork, cooperation, and trust in day-to-day program operations and in pursuing solutions to cross-cutting organizational issues. Establishes, actively participates in, champions, and/or makes constructive contributions to teams established to improve programs and operations.

Developing Talent/Managing Performance Tasks: Provides staff with timely and well-targeted opportunities to develop/enhance skills. Serves as an effective coach/mentor. Provides continuous, honest, timely performance feedback to staff. Takes timely action to establish performance expectations; celebrates, recognizes, and/or rewards performance successes and accomplishments; deals with performance deficiencies.

Management/Business Practices: The manager/supervisor allocates, spends, and accounts for resources and procures, produces, and contracts for goods and services with his/her organization.

Strategic Planning Tasks: Provides value-added input to strategic planning process. Reflects strategic plan, key initiatives, and organizational goals in all work plans for which he/she is responsible. Communicates organizational goals and performance expectations in a timely, clear, and consistent manner. Holds self and others accountable for achieving program goals consistent with the plan.

Vision/Change Agent Tasks: Works collegially with others to realize a shared vision of the organization aligned with DOE's mission, vision, and values. Champions change by proposing and regularly encouraging ideas from stakeholders/customers on new ways of doing/improving business.

Financial Management Tasks: Takes timely action to identify, request, monitor, and reallocate financial and material resources. Identifies ways and takes action to streamline business practices. Acts decisively and promptly to avoid or correct instances of potential fraud, waste, and abuse.

CHAPTER II

USE OF RATINGS OF RECORD AS THE BASIS FOR OTHER PERSONNEL ACTIONS

1. **PERFORMANCE-BASED AWARDS.** Chapter III contains requirements and guidance on performance awards and performance pay for employees under the Headquarters performance management plan.
2. **REDUCTION IN FORCE.** An employee's entitlement to additional service credit and to assignment rights for reduction-in-force purposes is based, in whole or in part, on performance. Determinations of such credit shall be made as follows.
 - (a) After the Headquarters performance plan is fully implemented, i.e., after all employees have been under the 4-level system for one entire performance period in a single rating pattern, employees whose performance is rated at 3.5 to 4 will be given 20 years performance credit for the performance period; employees whose performance is rated at 2.8 to 3.4 will be given 16 years performance credit for the performance period; and employees whose performance is rated at 2.0 to 2.7 will be given 12 years performance credit.
 - (b) Service credits will be averaged with two most recent ratings of record credits, provided that those ratings were transmitted within the last four years, according to the regulatory requirements in Title 5, CFR, Part 351, to determine how many extra performance years' credits will be added to employees' service computation date if a Reduction in Force is required.
 - (c) Ratings of record may not be given outside the performance appraisal schedule in order to afford an employee an advantage in a Reduction in Force. If a Reduction in Force becomes necessary, only those ratings of record for performance periods that ended more than 90 days before the issuance of Reduction in Force notices will be considered for purposes of calculating performance years' credits.
3. **PROMOTIONS.** Career Ladder Promotion. Performance ratings are used as a basis for determining whether employees have demonstrated the capability to perform in a position at the next higher level in a career ladder. Performance in the present position must be rated at least at "Level 2" in order for an employee to

receive a career ladder promotion.

Guidance on Merit Promotion: The Merit Promotion process requires that candidates be appraised on the skills, knowledge, and abilities required for the position to be filled, rather than performance in the candidate's present position. Thus, there is no direct link between the overall performance rating level and merit promotion actions; however, supervisors should give due weight to the performance ratings of job applicants, as an indicator of the quality of prior experience, in making selection decisions.

4. TRAINING. Supervisors may authorize training for two purposes: (a) to improve performance in an employee's present job, and (b) for developmental purposes. Performance rated at "Level 1" must be reviewed carefully to identify any training needs. See Chapter IV, Dealing with Poor Performance, for specific training requirements related to performance improvement periods.

Guidance: The performance appraisal process should be one of the methods used to identify areas where remedial training may be necessary for an employee to meet or surpass specified performance standards. Other methods of identifying training areas are the Employees Skills/Needs Assessment and the Employee's Individual Development Plan addressed in the Departmental directive on training.

5. ACTIONS BASED ON PERFORMANCE RATED AT "LEVEL 1": The process for addressing performance demonstrating a pattern that, if rated, would be rated at "Level 1" and performance that has been at "Level 1" is contained in Chapter IV, Dealing with Poor Performance.
6. PROBATIONARY PERIODS. New employees and new supervisors must be rated at "Level 2" or higher in order to be retained after their first year in their positions. Incumbents of positions classified as "supervisory" and "managerial" under the OPM Supervisory Grade Evaluation Guide and Job Grading Standard for Supervisors may be subject to serving a probationary period. These employees will have substantive supervisory responsibilities, and their performance elements will involve the processes of managing and supervising described in Chapter I. Information generated during the performance appraisal process will be used in support of the decision to retain employees in supervisory or managerial positions.

Guidance on probationary employees: New employees must be carefully observed during the probationary period to determine whether they can perform their duties acceptably and have the qualities needed to become successful career employees. Information generated during the performance appraisal process may

provide a basis to determine progress during the probationary period and will assist supervisors in deciding whether to retain employees in the Federal service. It would be expected that employees whose performance pattern falls to "Level 1" at any time after the initial 90-day performance period would be subject to separation. Rating officials should not hesitate to rate probationary employees during the performance period rather than to wait until the end of the performance period when the probationary period may be over. Action to remove probationary employees is taken in accordance with 5 CFR 315.801.

7. **WITHIN-GRADE INCREASES.** The employee's most recent rating of record will be used to determine the employee's eligibility for a within-grade increase. An employee with a rating of record that is at "Level 1" will not be eligible for a within-grade increase. If it is determined that an employee who had been rated at "Level 1" has raised his/her performance to "Level 2" or higher prior to the date on which the employee would have been eligible for a within-grade increase, a new rating of record must be prepared showing a rating of at least "Level 2." Within-grade increase determinations may not be postponed unless the employee has been in his/her position less than the 90-day required minimum for a rating of record and has no other performance rating of record that covers at least 90 days in the employee's within grade waiting period. See Chapter IV for procedures related to denying a within grade increase.

CHAPTER III

AWARDS

1. **TYPES OF AWARDS COVERED:** Awards covered by this chapter to be granted in order to recognize and reward individuals and/or teams based on performance, suggestions, inventions, and other noteworthy achievements. All awards or awards nominations will be supported by documentation or performance ratings, as appropriate.
2. **LIMITS ON FORMS OF MONETARY RECOGNITION.** It is Headquarters policy to grant not more than one form of monetary recognition for the same achievement.
Guidance: This policy is designed to ensure the equity and cost-effectiveness of the Headquarters awards program. The effect of this policy is that if employees were given special act or on-the-spot awards for recurring duties or responsibilities evaluated under their performance plans, the amount of the award would be deducted from the performance-based cash award granted to the employee (if otherwise eligible for an award) at the end of the performance period. (Similarly, employees granted Quality Step Increases, which are directly tied to performance, are not eligible for a performance-based cash award.) Accordingly, it is extremely important that managers who nominate employees for monetary recognition ensure that the nominations distinguish the achievements described in the nominations from the employees' recurring duties and responsibilities.
3. **PERFORMANCE-BASED CASH AWARD:** All employees in the Performance Management System who have been rated at a level of 2.7 or higher and who have not been rated at "Level 1" on any critical element will be nominated for a Performance-Based Cash Award. The amount of the cash award will be calculated using the following formula:
 - (a) Each employee's summary rating points (at the 2.7 threshold or higher) will become that employee's "Performance Credit."
 - (b) Each "Performance Credit" will be multiplied by the employee's grade to determine the employee's "Award Points."
 - (c) All award points in the employees' Headquarters Element will be added together and divided into the amount of funds set aside for Performance-Based Cash Awards to determine the dollar value of each award point.

- (d) Performance-based cash awards will be paid to employees no later than 4 months after the end of the performance period.
- (e) Employees who have served in their position for at least ninety (90) days, but less than the full 12 months, as of the end of the performance period shall have any performance based-cash award pro-rated based on actual months of service.

Guidance: Note that the provisions for Performance-Based Cash Awards do not guarantee awards. If a Headquarters Element office has no funds for performance awards, it is possible that none can be paid. However, if there are funds available, the procedure outlined above will be used.

4. **TIME-OFF AWARD:** This award may be granted, without loss of pay or charge to leave, for performance rated at 2.7 or higher:
- (a) Each employee who is rated from 2.7 to 3.4 will be eligible for a Time-Off Award of 20 hours.
 - (b) Each employee who has been rated 3.5 to 4 will be eligible for a Time-Off Award of 40 hours.
 - (c) Employees may also be eligible for a Time-Off Award based on a special act. The amount of the time off would depend on the benefits associated with the special act. See 5. below.
 - (d) Each employee who is eligible for a Time-Off Award will be consulted as to his/her preference for either a Time-Off Award or a Performance-Based Cash Award, or Special Act Award, as appropriate. If the employee expresses a preference for a Time-Off Award, the employee's preference will be given serious consideration. However, if management determines that it cannot give the employee the preferred Time-Off Award, it will notify the employee that he/she will be nominated for the cash award instead.
 - (e) Time-Off Awards must be used within 12 months of the date that the award is granted. It may not be transferred if an employee transfers to another Federal agency, nor is the award payable in a lump sum if the employee leaves Federal service.

Guidance: Management should calculate the dollar value of performance-based cash award "Award Points" before soliciting

employees' preferences regarding Time-Off Awards. Also, management should make very clear to employees that preferences are not guaranteed to be accepted. It is possible that management may not be able to spare employees for long periods of absence if the time off award is combined with "use or lose" leave at the end of the leave year.

5. **QUALITY STEP INCREASE:** Quality step increases are permanent increases in pay. They are granted to reward continuing exceptional performance and to motivate employees toward increased productivity. The following criteria apply to the granting of Quality Step Increases:

- (a) Quality Step Increases may be granted only to employees who have permanent or indefinite appointments, whose current rate of pay is less than the maximum for their grade, whose current rating of record is at 3.5 or higher (or equivalent under another system) and who are expected to continue to serve in their current position, or in a similar position at the same grade, at the same level of performance, for the foreseeable future.
- (b) Only one Quality Step Increase may be granted during any 52-calendar-week period.
- (c) An employee may not receive both a Quality Step Increase and a performance-based cash award for the same performance period.

Guidance: A Quality Step Increase is not appropriate when: (a) it is known that the employee is about to receive a career promotion, since the promotion itself is a very substantial form of recognition; (b) the employee was detailed to another position for a substantial period of time during the performance period; (c) the Quality Step Increase is used to induce an employee to move from one location to another; (d) the Quality Step Increase is used to solve a difficult personnel situation and continuing exceptional performance is not evident; (e) the employee is about to separate from the agency.

6. **SPECIAL CATEGORY AWARDS:** These awards include the following: the Special Act or Service Award, the Superior Achievement Award; the Award for Achievement in Equal Employment Opportunity; the Certificate of Appreciation; the Career Service Awards; and the Award for Disclosure of Cost Savings. These awards may be granted as a monetary award, or Time-Off Award, or certificate, as appropriate. They may be granted for a one-time act, service or other nonrecurring accomplishment by an employee, or group of employees, that is related to their employment. This type of recognition is appropriate when

performance is substantially beyond expectations on a specific assignment or aspect of an assignment or job function. It is also appropriate for employees who have performed exceptional service while on Intergovernmental Personnel Act assignment or detail, who have been transferred, or are not otherwise eligible for awards based on performance ratings of record. The procedures for granting a special category award are as follows:

- (a) Nomination for an award may be submitted by rating or reviewing officials in the employee's organization, or in another organization in DOE.
- (b) The nomination for an award should be initiated within 30-60 days of the completion of the performance on which the nomination is based. Justification for the award must be attached to the nomination. The justification must include a brief description of the performance supporting the nomination and it must describe the value of the benefit derived from the performance. That benefit would be used to justify the monetary value of the award or the amount of time-off requested, if the nominating official requests time off.
- (c) If the nominating official is not the rating or reviewing official of the person or persons being nominated, that official should contact the employee(s) rating or reviewing official of the nominated employee, inform that person of the nomination, and request concurrence on the nomination form.
- (d) The nomination should then go to the Office of Headquarters and Executive Personnel Services for review of signatures and regulatory compliance.
- (e) The nomination must then be approved by a management official who is at a higher organizational level than the individual who initiated the award and who has authority to approve awards at the monetary value involved, unless the person being nominated for the award reports directly to the Head of the Departmental Element.
- (f) The approved nomination must then be returned to the Office of Headquarters and Executive Personnel Services for award processing, payout, and recording in the employee(s) Official Personnel Folder. See Chapter VI, Records.
- (g) If an organization other than the employee's nominated the employee(s) for the award, the employee's Headquarters Element administrative office will arrange for reimbursement from the nominating organization.

Guidance: Nominating officials should ensure that the performance cited in the nomination for an award does not duplicate or overlap with the duties regularly assigned to the employee(s) for which the employee(s) will be rated at the end of the performance period.

7. **ON-THE-SPOT AWARD:** On-the-spot awards for up to \$300 may be granted to employees for a significant deed or accomplishment performed with exceptional and unanticipated speed and quality under difficult or unusual circumstances. The procedures for effecting such awards are as follows:
 - (a) No more than 2 on-the-spot awards may be granted to an employee in any one performance period.
 - (b) The nomination for this award must be initiated within one month of the event that supports the award nomination. Ratings official may nominate an employee. Justification for the award must be in writing and contain information on what was accomplished, the circumstances that were difficult or unusual, and the value of the employee's contribution. The nomination must specify the amount of the on-the-spot award.
 - (c) If an organization other than the nominated employee's nominates the employee for an on-the-spot award, the employee's immediate supervisor must concur with the nomination. After the award is processed by the Office of Headquarters and Executive Personnel Services, the employee's administrative office will work with the nominating organization to effect reimbursement.
 - (d) Approval of the award by the reviewing official must occur before the nomination is forwarded to the Office of Headquarters and Executive Personnel Services for processing, transmittal to payroll, and recording in the employee's Official Personnel Folder.
8. **MERCHANDISE AWARD:** If the Head of the Headquarters Element finds it appropriate, individual Headquarters Elements may maintain a "Thank-You Store" for the recognition of employees who have performed well on a special project that has directly benefitted the organization or its customers. The value of items in the "Thank You Store" will be \$50 or less.

Guidance: The "Thank-You Store" would operate as follows:

- (a) *Twice yearly, the Headquarters Elements will issue a call for recommendations for "Thank-You" awards to employees who have worked, singly or in groups, on a special project or projects that had a positive and immediate effect on the organization's operations.*
 - (b) *Supervisors and non-supervisory employees may nominate employees for a "Thank-You" award. Employees may not nominate anyone in their supervisory chain. Nominations must answer the following questions with brief answers: who is being nominated; what is the event supporting the nomination; when did the event supporting the nomination occur; where did the event occur (i.e., which office/subdivision); and why did the nominator consider the event positive?*
 - (c) *Office Directors will review all nominations of employees in their organization and finalize "Thank-You" awards. (How to modify to reflect elements internal structure?)*
 - (d) *At the semi-annual "Thank-You" ceremony, award winners will be able to choose from a variety of merchandise awards, which should be rotated every two years. Awards could include caps, pens, clocks, mugs, tee-shirts, tote bags, etc.*
9. **BENEFICIAL SUGGESTION AWARD:** Employees are eligible for Beneficial Suggestion awards for written suggestions that, if adopted, directly contribute to the economy or efficiency, or directly increase the effectiveness of their organization's operations or result in a significant reduction of paperwork. The following procedures will apply:
- (a) The suggestion must not be in current use . Further, suggestions that relate to employee services, benefits, working conditions, housekeeping, normal safety procedures, or maintenance of buildings and grounds would not be eligible unless they result in tangible benefits. Likewise, suggestions that call attention to regulations or procedures that are not observed or enforced are not eligible unless the management action resulting from enforcement results in a tangible savings.
 - (b) Suggestions may be communicated orally and may even be adopted. However, in order for the suggester to protect his/her rights, the employee should write and submit the suggestion promptly.

- (d) An employee may submit a suggestion on plain paper. The suggestion must contain the following information: The suggester's name, title, grade, suborganization, name and title of supervisor, and work location; the title of the suggestion; the situation, condition or activity which the suggester believes should be changed or improved; the suggestion in detail; and the benefits to the Federal government through staff savings, improved methods, work simplification, accident prevention or other improvement. The suggester should then sign and date the suggestion.
 - (e) The employee's administrative office will determine what organization within the program office or DOE Headquarters would be most appropriate to evaluate the suggestion. The Office of Headquarters and Executive Personnel Services will provide technical assistance in this process. The administrative office will make arrangements for an evaluation, requesting that the suggestion be evaluated within one month. The evaluation should contain reasons for adoption or non-adoption of the suggestion and, if the suggestion is adopted, an estimate of the tangible or intangible benefits of the suggestion.
 - (f) The administrative office will prepare the award nomination form for concurrence by the suggester's immediate supervisor and second level supervisor. The award nomination form will be directed to the Headquarters Personnel Services Division for processing, payout, and recording in the employee's Official Personnel Folder. See Chapter IV, Records.
10. **EXCEPTIONAL SERVICE AWARD:** This award is granted for outstanding service or an established record of achievement, exemplary accomplishment of assigned responsibilities, unusual initiative in efficiency or improved management, outstanding executive or technical ability, or unusual devotion to duty. The nomination and approval procedures in section 5. above will be used for this award.
11. **PRESIDENTIAL RECOGNITION AND DEPARTMENTAL AWARDS:** The following awards may only be approved or endorsed as appropriate by the Secretary of Energy. The Head of the Departmental Element will endorse all such award nominations originating in his/her program office and transmitted to the Secretary. Nominations for these awards may originate at any level within the element. They will then be directed to the Director of the Office of Human Resource Management for review and further action.

- (a) The President's Award for Distinguished Federal Civilian Service--for exceptional achievements of unusual benefit to the nation.
 - (b) The Presidential Management Improvement Award--for contributions that result in tangible benefits to the Government of \$250,000 or more.
 - (c) Presidential Letters of Commendation--for a suggestion, invention, or other superior accomplishment that is beyond job requirements and that results in tangible benefits to the Government of \$250,000 or more.
 - (d) The Secretary's Award--granted by the Secretary for outstanding leadership or other achievements deemed to merit the highest award granted by the Department.
 - (e) The Award for Valor--granted by the Secretary in recognition of acts of heroism or courage involving great personal risk.
 - (f) The Meritorious Service Award--granted by the Secretary for achievements that substantially contribute to the accomplishment of the mission or major programs of the Department.
12. PUBLICIZING AWARDS: The names of recipients of all awards and a summary of accomplishments should be published in the issue of the Headquarters Element's newsletter, or in another public forum, immediately following the distribution of the particular award and will be listed in the program office's home page, if applicable.

CHAPTER IV

DEALING WITH POOR PERFORMANCE

1. UPON DETERMINING A PATTERN PERFORMANCE LEADING TOWARD LEVEL 1. At any time the rating official determines that an employee's performance on any critical element is in danger of falling below a Level 2 rating (i.e., falling to Level 1), the following sequence of events will be initiated:

- (a) The rating official will advise the employee in a face-to-face meeting of the expected level of performance;
- (b) The rating official will give the employee a reasonable opportunity to correct identified deficiencies. This opportunity may be transmitted either orally or in writing. If the employee fails to correct the performance deficiency, then the rating official will give the employee specific written guidance regarding performance improvement. The rating official will also give the employee an opportunity to respond to the guidance in writing.

Guidance: The written guidance should have very specific examples of declining performance, very specific tasks/deadlines to demonstrate improvement, and very specific time limits to accomplishment the improvements. Rating officials should avoid use of general admonitions such as "adhere to time limits" or "improve proofreading."

2. REQUIREMENTS OF THE CODE OF FEDERAL REGULATIONS IF PERFORMANCE HAS NOT IMPROVED: Pursuant to Title 5, Code of Federal Regulations, Part 432, once an employee has performed under a performance plan for at least the 90-day minimum performance period, at any time thereafter if the steps described in 1. above do not result in performance improvement, if an employee's performance is determined to be at "Level 1" in one or more critical elements, the rating official shall notify the employee of the critical element(s) for which performance is at "Level 1" and inform the employee of the performance requirement(s) or tasks that must be attained in order to meet "Level 2" in his/her position. The rating official should also inform the employee that unless the employee's performance in the critical element(s) improves to and is sustained at "Level 2," the employee may be reduced in grade or removed. For each critical element in which the employee's performance is at "Level 1," the agency shall afford the employee a reasonable opportunity to demonstrate performance at "Level 2," commensurate with the duties and responsibilities of the employee's

position. As part of the employee's opportunity to demonstrate acceptable performance, the rating official shall offer assistance to the employee in improving performance that is at "Level 1."

3. **LIMITS ON REQUIREMENT FOR RATING OF RECORD:** There is no requirement for the rating official to prepare and transmit a rating of record to an employee who is performing at "Level 1," unless:
 - (a) the notice of "Level 1" performance pursuant to 2. above occurs within 90 days of the end of the performance period. If the notice to the employee occurs within those 90 days, the notice will be accompanied by a rating of record; or
 - (b) the employee would soon be eligible for a within-grade increase and the rating official must make a determination that the employee does not meet the acceptable level of competence (that is, a rating of record of "Level 2") required for such an increase.
4. **IDENTIFYING POOR PERFORMANCE:** The notice to the employee referenced in 2. above must be specifically linked to the employee's performance plan. The communication must be supported by documents or a rating official's narrative that shows a pattern of performance that fails to meet "Level 2" performance on individual elements. Although the documents should be shared with the employee as they are prepared, at a minimum, the notice that performance is at "Level 1" must be accompanied by this documentation.

Guidance: Please note that collective bargaining agreement provisions require transmittal of documents affecting an employee's performance rating to the employee within one week of the document's development.

5. **PERFORMANCE IMPROVEMENT PLAN (PIP):** The notice of "Level 1" performance transmitted to the employee must also contain the following:
 - (a) a listing and description of specific actions needed to improve performance to "Level 2". These actions must be specifically linked to the element for which performance was determined to be at "Level 1";
 - (b) time frames for the employee to accomplish the needed actions; the entire PIP must cover a minimum of 90 days.

Guidance: The PIP may be set for a period of more than 90 days if the employee's duties are of a cyclical nature.

- (c) Management actions that will be undertaken to assist the employee to raise the level of his/her performance to "Level 2." These actions include training or scheduled meetings with the rating official as appropriate.

Guidance: It is imperative that the assistance promised to the employee be delivered. If the rating official cannot be available to assist the employee, another official of comparable knowledge and/or authority should be designated to perform the duties of assisting the employee. If training is promised, it must be provided; if training funds are scarce, it would be inappropriate to promise the employee training.

Further, the PIP must allow the employee to perform duties in his/her position. If the employee were reassigned or detailed to another position during the PIP, the employee would be deprived of the opportunity to improve his/her performance; this would be a violation of Federal regulation.

- (d) Notice to the employee that failure to raise performance to "Level 2" and to sustain that level for one year may result in management action to initiate performance-based action such as reassignment, demotion, or removal from Federal service.

Guidance: Please note that an employee's failure to raise his/her performance to "Level 2" need not automatically result in a performance-based action. It is possible for an employee to perform at a level below the "Level 2" without performing so poorly that he/she must be removed from the position. If management determines that demotion or removal is appropriate, it must be prepared to establish, by substantial evidence, that the performance was sufficiently poor to justify the action taken. Since demotion or removal is appealable to the Merit Systems Protection Board, management would be well-advised to consult that board's case law before initiating performance-based actions.

6. NOTICE OF DENIAL OF WITHIN-GRADE INCREASE: It is not appropriate for an employee who is performing at "Level 1," or whose latest rating of record is at "Level 1" (or equivalent) to be eligible for a within-grade increase.

- (a) If an employee with a rating of record above Level 1 is on a PIP, because of poor performance in the current performance period, at the end of his/her within-grade waiting period, and management wants to deny the

employee the impending within-grade increase, a rating of record of Level 1 must be issued and the employee given a notice denying the increase. The rating serves as a negative determination of an "acceptable level of competence."

Guidance: Because of regulatory restrictions on ratings of record at times other than the end of the performance period, a determination regarding acceptable level of competence may not be delayed until after the PIP.

- (b) Similarly, if the end of the within-grade increase waiting period is approaching and the employee has a current rating of record of "Level 1" (or equivalent) transmitted at the end of the previous performance period, but the employee has raised his/her performance to "Level 2," the rating official will prepare another rating of record that reflects the "Level 2" of performance, thus justifying the acceptable level of competence determination and the within-in grade increase.

Guidance: Since Federal regulation now prohibits the delay of an acceptable level of competence determination except under rare circumstances, it is important that the rating and reviewing officials keep careful track of within-grade waiting periods, especially for employees who have begun to demonstrate performance that is less than "Level 2." If the end of the within-grade increase waiting period is approaching and the employee is currently performing at "Level 1," the rating official should place the employee on a PIP in sufficient time to ensure that a determination regarding the employee's level of competence can be made prior to the end of the waiting period. Note Article 16, Acceptable Level of Competence, in the HQ/NTEU collective bargaining agreement that gives specific rights to bargaining unit employees. Although the agreement cites 60 days as the minimum opportunity period, all rating and reviewing officials should follow the 90-day minimum requirement.

Note further that performance-based awards may be granted only to employees whose rating of record at the end of the performance period is higher than 2.6. If an employee raises his/her performance to "Level 2" after a PIP and/or is given a rating of record as an acceptable level of competence determination, the employee is not eligible for a performance award.

7. PERFORMANCE-BASED ACTIONS. If, at the end of a PIP, an employee is still performing at "Level 1," or if an employee has raised his/her performance to

"Level 2" by the end of the PIP but then slips back into performance at "Level 1" within one year of having been placed on the PIP, management may determine that it must propose a performance-based action. If so, the following steps will be followed:

- (a) the employee will be given a 30-day advance notice of a performance-based action. The notice will contain the specific critical elements for which the employee performed at "Level 1" and examples of poor performance. The 30-day period may be extended for an additional 30 days if warranted.

Guidance: Rating and reviewing officials should take careful note of the timing of the proposal. The proposal should not address any performance that occurred more than one year earlier than the date of the notice. Further, the 30-day notice can only be extended for a maximum of another 30 days without further permission from OPM; any extension may be granted only under certain circumstances. The purpose of the advance notice is to allow the employee to present a response and an adequate defense against the proposed action. Extensions should not be used simply to defer a decisions on proposals.

- (b) the notice will give the employee an opportunity to respond to the proposal, to have a representative and to raise mitigating issues such as medical conditions.

Guidance: Please note Article 45, Performance-Based Actions, of the HQ/NTEU collective bargaining agreement, which gives specific rights regarding representation and official time to bargaining unit employees and to NTEU.

The specific rights of the employee must be carefully spelled out. Rating and reviewing officials should not attempt to prepare an advance notice without the assistance of employee/labor management relations specialists.

- (c) at the end of the 30-day notice, the employee is entitled to a final written decision. The decision may consider only performance that occurred within one year of the issuance of the advanced notice. It will also specify the instances of performance at "Level 1" that led to the decision.

Guidance: Decisions on performance-based actions need not include an analysis of the determination regarding a removal versus a demotion.

Note, however, that if the advance notice of performance based action proposed a demotion, the decision cannot be more severe than a demotion.

- (d) if the decision is to remove or demote the employee, the employee will be given appropriate appeal rights under the regulations promulgated by the Merit Systems Protection Board and/or the collective bargaining agreement, as appropriate.

CHAPTER V

GRIEVANCES AND APPEALS

1. PERFORMANCE APPRAISALS:

- a. Bargaining unit employees: Bargaining unit employees who wish to challenge their performance appraisals must use the negotiated grievance procedure described in the Headquarters/NTEU collective bargaining agreement.
- b. Non-bargaining unit employees: Appeals of performance ratings of record by non-bargaining unit employees will follow the procedures outlined in DOE 3771.1, GRIEVANCE POLICY AND PROCEDURES of 7/2/81.

2. WITHIN GRADE INCREASES: No appeal or grievance of the denial of a within-grade employee can be made before a reconsideration process is undertaken. Upon denial of a within-grade increase, the affected employee must request consideration of the denial by the reconsideration official, who is the official at least one level higher than the reviewing official of the effected employee. Request for reconsideration must occur within 15 days of the denial of the within-grade increase. The reconsideration official has 5 days to respond to the request; the reconsideration official must follow all provisions of Title 5, CFR, section 531.410. If the request is denied, the reconsideration official must inform the requester of his/her appeal rights: non-bargaining unit employees may challenge denial by filing an appeal with the Merit Systems Protection Board; bargaining unit employees must use the negotiated grievance procedure outlined in Article 11 of the collective bargaining agreement.

3. PERFORMANCE AWARDS:

- a. Any bargaining unit employees who is not satisfied with the amount of a performance award, or, if the employee was eligible, the failure to be granted a performance award, may file a grievance through the negotiated grievance procedure outlined in Article 11, Grievances, of the collective bargaining agreement. The grievance must be limited to a claim of violation of the awards procedures outlined in Article 29, Employee Awards.

Guidance: a successful grievance cannot result in a mandatory award, since the right to reward employee performance is reserved to

management. If a grievance on this subject were successful, it would likely result in the re-running of the procedures referenced above and/or a re-computation of awards data.

- b. Non-bargaining unit employees are covered by DOE 3771.1, GRIEVANCE POLICY AND PROCEDURES of 7/2/81. That order lists matters related to the receipt of performance awards, quality step increases, and adoption of suggestions as non-grieveable.

CHAPTER VI

EMPLOYEE PERFORMANCE RECORD SYSTEM

The following requirements will apply to the Headquarters Performance Record System.

1. **OFFICIAL EMPLOYEE PERFORMANCE RECORDS:** The official employee performance records consist of the following documents pertaining to employee performance, including:
 - (a) performance plans (standards and elements) signed by the rating official, the reviewing official, and the employee;
 - (b) official performance appraisal ratings; these ratings may include advisory ratings as well as ratings of record;
 - (c) any narrative that the employee wishes to add to his/her performance plan or rating;
 - (d) narrative comments that the rating and reviewing officials submit, at the employee's request;
 - (e) records of performance-based awards; and
 - (f) other supporting performance-related documents specified in writing.
2. **PRIVACY ACT REQUIREMENTS:** The records maintained in this system are covered by the Privacy Act System of Records established by OPM. The Headquarters servicing personnel office will assure that such documents are retained in accordance with OPM's Privacy Act regulations, DOE 1700.1, and DOE 1800.1A. Since records maintained in an automated or microform system are a part of the employee performance record, they are also subject to the same requirements as those relating to manual records. Any performance-related documents maintained by any employee's rating or reviewing official are subject to release under the Freedom of Information Act, Title 5, United States Code, section 552.
3. **OFFICIAL EMPLOYEE PERFORMANCE RECORD STORAGE AND RETENTION:**

- (a) Official employee performance records must be retained in the Headquarters servicing personnel office in performance envelopes especially marked and used for this purpose.
- (b) Performance ratings or documents supporting them are generally not permanent records and shall be retained as prescribed:
 - (i) Performance ratings of record, including the performance plans on which they are based, shall be retained for 4 years; subject to reduction-in-force regulations.
 - (ii) Performance plans and ratings superseded (e.g., through an administrative or judicial procedure) and performance-related records pertaining to a former employee need not be retained for a minimum of 4 years. Rather, in the former case they are to be destroyed immediately following completion of the process that caused them to be superseded, and in the latter case they are to be destroyed within 90 days, usually at the time the Official Personnel Folder is transferred.
 - (iii) Except where prohibited by law, retention of automated records longer than the maximum prescribed here is permitted for purposes of statistical analysis so long as the data are not used in any action affecting the employee when the manual record has been or should have been destroyed.
 - (iv) When the Official Personnel Folder of an employee is sent to another servicing personnel office in the Department of Energy, to another agency, or to the National Personnel Records Center, the Headquarters servicing personnel office shall include in the Official Personnel Folder all performance ratings of record that are 4 years old or less, including the performance plan on which the most recent rating was based, and the summary rating prepared because the employee is changing positions. In addition, advisory summary ratings given during the current appraisal period shall be included in the Official Personnel Folder at the time it is transferred to another servicing personnel office in DOE; these ratings must be considered in assigning the next rating of record. The Headquarters servicing personnel office shall purge from the Official Personnel Folder all performance ratings and performance plans that are more than 4 years old. Destruction of performance records will be accomplished by shredding or burning in accordance with DOE 1324.2A.

4. **SUPPORTING DOCUMENT SYSTEM:** Documents supporting individual employee's performance include the documents listed below. In order for these documents to be used to support any performance-based decision, all supporting performance documents must be shared with the employee prior to the implementation of that decision:
- (a) employees' skills needs assessment (for bargaining unit employees);
 - (b) employees' Individual Development Plans (if applicable);
 - (c) documents supporting the employees' current performance.

GUIDANCE: All supporting performance documents will be retained for no more than three years for records-keeping purposes only. No document in the supporting document record should be used to support actions in other than the current performance period. Employees should be encouraged to review their supporting document file and to add to it as necessary.

Note the collective bargaining agreement's provision requiring that all bargaining unit employees be given an skills needs assessment on a yearly basis. See Article 23, Training and Development, Section 23.07.B.

**DEPARTMENT OF ENERGY
HEADQUARTERS**

**Performance Plan and Performance Appraisal Form
For
Performance Management System Employees**

Employee Name: _____ *Social Security Number:* _____

Position Title/Pay Plan/Series/Grade: _____

Organization and Location: _____

PERFORMANCE PERIOD: *From:* _____ *To:* _____

CHECK ONE: ☐ **ANNUAL RATING OF RECORD**

☐ **ADVISORY RATING:** ☐ *Detail* ☐ *Position Change*

☐ *Temporary Promotion* ☐ *Other (Specify)*

☐ **SPECIAL RATING OF RECORD BASED ON:**

Employee Name: _____

PERFORMANCE APPRAISAL/MANAGEMENT PLAN

Performance Element: ____ of ____ **Weight:** ____ **Rating:** ____ (1, 2, 3, or 4)

One sentence summary statement:

Tasks. Objectives and/or Activities Related to Element :

(Include relevant organizational goals, strategic plan objectives, related tasks.)

(NOTE: This page may be reproduced as necessary)

PERFORMANCE PLAN CERTIFICATIONS

Section A. Certification of Discussion & Issuance of Elements/Standards

Signature of Rating Official

Date

Signature of Reviewing Official

Date

Employee - I have reviewed and have been provided an opportunity to discuss my elements/standards for this appraisal period with the rating official.

Signature of Employee

Date

_____ Employee refused to sign

NOTE: AT THE END OF THE PERFORMANCE PERIOD, THIS PAGE WILL BE DETACHED FROM THE PERFORMANCE APPRAISAL. IT WILL NOT BE FILED IN THE EMPLOYEE'S PERFORMANCE FILE

Section B. Certification of Progress Review - Performance and progress to date have been discussed with the employee.

Progress reviews provide structured, scheduled time for rating official-employee communications at two points of the performance period to: assess progress made toward achieving performance objectives and meeting performance requirements; identify new or previously unnoticed problems affecting the employee's performance and develop ways to resolve them; and make necessary adjustments in the performance elements and standards.

Planning the progress review meeting is essential to its success. In advance of the progress review meeting, the rating official should review the elements and standards and assemble copies of relevant documents to share with the employee. The progress review meeting shall not be used as an occasion for congratulating or blaming the employee. These meetings are intended for the employee and rating official to explore the circumstances underlying the employee's evaluation at the time of the review.

1st Review

Level of performance as of this review

Signature of Rating Official

Date

Signature of Employee

Date _____

Element 1 . _____
Element 2. _____
Element 3. _____
Element 4. _____
Element 5. _____
Element 6. _____
Element 7. _____
Element 8. _____

Employee refused to sign

2nd Review

Level of performance as of this review

Signature of Rating Official

Date

Signature of Employee

Date _____

Element 1 . _____
Element 2. _____
Element 3. _____
Element 4. _____
Element 5. _____
Element 6. _____
Element 7. _____
Element 8. _____

Employee refused to sign

Section C. Certification of Performance Rating:

Individual element rating:	Weight:	Total:
Element 1. _____	_____	_____
Element 2. _____	_____	_____
Element 3. _____	_____	_____
Element 4. _____	_____	_____
Element 5. _____	_____	_____
Element 6. _____	_____	_____
Element 7. _____	_____	_____
Element 8. _____	_____	_____
<i>Total weights:</i>	_____	<i>Total points:</i> _____

Overall Summary Rating (total points divided by total weights): _____

Signature of Rating Official Date

Signature of Reviewing Official Date

Employee - I understand that my signature on the appraisal indicates only that I have reviewed the appraisal. I understand that failure to sign the appraisal does not affect its validity.

Signature of Employee

Date

____ Employee refused to sign appraisal

Rating Official Signature:_____ Date:_____

[Privacy Act information to be inserted at this point]